

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Bayview Beach Water District**

---

1. Bayview Beach Water District Should Comply With The Open Public Meetings Act

During our review of the district's minutes, we noted that meetings were not being held every month on a regular basis.

RCW 42.30.070 states:

The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body.

The district's failure in holding regular meetings limits the ability of the public to partake in the district's decision making process.

We recommend that the district hold regular monthly meetings at a date, time, and location specified by resolution.

2. Bayview Beach Water District Should Record And Retain Minutes Of All Public Meetings

During our review of the minutes of commissioner board meetings, we noted that board meetings were announced and held without any minutes being recorded and retained.

RCW 42.32.030 states:

The minutes of all regular and special meetings . . . shall be promptly recorded and such records shall be open to public inspection.

Because minutes have not been retained, there is no public record of actions taken at these board meetings. As a result, the auditor is prevented from determining the legality of district activities.

We recommend the district record and retain minutes for all public meetings held.

3. The District Should Refrain From Making Gifts Of Public Funds

During our review of district expenditures, we discovered the following situations:

- a. The part-time district manager, who was also a district commissioner, was reimbursed for meal expenditures incurred while not on official district business. Though receipts were submitted in support of the meal expenditures, no information stating the reason for the meals was indicated. The total meal expenditures reimbursed equaled \$178.63.

The practice of providing such meals is contrary to the provisions of Article VIII, Section 7 of the Washington State Constitution which states in part:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm . . . .

In addition to contradicting the Washington State Constitution, reimbursement of the meal expenditures also violated the May 14, 1987, memorandum from the attorney general, which states in part:

An officer or employee claiming such reimbursement must . . . be prepared to show (1) what was the occasion for incurrence of the expense, (2) what were the expenses incurred , and (3) that the expenses were incurred in the course of official business.

- b. The district manager/commissioner, was also reimbursed for expenditures that were not adequately supported with proper documentation, such as vendor invoices. The expenditures in question totaled \$105 and there was no evidence that these expenditures were appropriate use of district funds.

Reimbursement of these expenditures violates RCW 43.09.200, which states in part:

The accounts shall show . . . all receipts, vouchers and other documents kept or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

Also, RCW 42.24.090 provides in part:

All claims authorized under this section shall be duly certified by the officer or employee submitting such claims on forms and in the manner prescribed by the division of municipal corporations in the office of the state auditor.

The State Auditor's prescribed manner is in Bulletin 401, page 65, which states in part:

Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse.

The situations appear to have resulted from a lack of awareness of or attention to the necessary documentation for the transactions.

By providing meals to board members while not on official district business, the district has spent public funds with no statutory authority to do so.

Lack of proper documentation for transactions exposes the district to the risk of making improper payments.

We recommend that the district seek reimbursement for the full \$283.63 from the former district manager/commissioner.

We further recommend that district officials develop a travel policy, in which reimbursement of meals is discussed as well as submitting proper documentation.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Cemetery District No. 2**

---

1. Cemetery District No. 2 Of Island County Should Comply With The Open Public Meetings Act

During our review of the minutes of Cemetery District No. 2, we noted that the date, time, and location of the meetings were not recorded in the minutes. This condition made it difficult to determine that the meetings were being held in accordance with the Open Public Meetings Act.

RCW 42.30.070 states:

The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body.

RCW 42.30.060 adds:

No governing body shall adopt any ordinance, resolution, rule, regulation, order, or directive except in a meeting open to the public and then only at a meeting, the date of which is fixed by law or rule, or at a meeting of which notice has been given according to the provisions of this chapter.

Because the date, time, and location of the meetings were not recorded in the minutes, it was not evident whether the district has complied with the Open Public Meetings Act.

We recommend the district adopt a resolution which states the date, time, and location of all open public meetings.

2. Cemetery District No. 2 Should Retain Minutes Of Commission Meetings

Cemetery District No. 2 was unable to provide commissioner board meeting minutes for the period October 1992 through October 1993.

RCW 42.32.030 states:

The minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.

The responsibility for maintaining the records of the district changed during the audit period. This personnel turnover resulted in the misplacement of the minutes. The lack of minutes makes it difficult to audit and for the public to be kept informed on district activities.

We recommend the district retain all minutes for public inspection and for audit.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Freeland Water District**

---

1. Freeland Water District Should Not Give Out Christmas Bonuses To Employees

During our review of the district's minutes, we noted that the district awarded Christmas bonuses to two employees in the amount of \$100 each.

The awarding of the bonuses violates the Washington State Constitution, Article II, Section 25, which states in part:

The legislature shall never grant any extra compensation to any public officer, agent, employee, servant, or contractor, after their services shall have been rendered . . . .

The awarding of the additional compensation results in additional and unnecessary expenses incurred by the district.

We recommend the district not give employees any form of bonuses.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Holmes Harbor Water District**

---

1. Holmes Harbor Water District Commissioners Should Not Increase Their Own Compensation During A Term Of Office

During our review of the district's minutes, we noted that the board of commissioners voted to increase their compensation from \$0 per meeting to \$50 per meeting. This increase was effective during the same term of office as when it was approved.

Article XI, Section 8 of the Washington State Constitution reads:

The salary of any county, city, town, or municipal officers shall not be increased . . . or diminished after his election, or during his term of office . . . .

The commissioners were not aware that they were violating a state law.

We recommend that the district commissioners comply with the Article XI, Section 8 of the Washington State Constitution.



2. Holmes Harbor Water District Should Record And Retain Minutes Of All Public Meetings

During our review of the minutes of commissioner board meetings, we noted that a board meeting was announced and held without any minutes being recorded and retained.

RCW 42.32.030 states:

The minutes of all regular and special meetings . . . shall be promptly recorded and such records shall be open to public inspection.

Because minutes have not been retained, there is no public record of actions or discussions taken at these board meetings. As a result, the auditor is prevented from determining the legality of district activities. The public is also prevented from being informed on the district activities.

We recommend the district record and retain minutes for all public meetings held.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Lagoon Point Water District**

---

1. Lagoon Point Water District Commissioners Should Not Increase Their Own Compensation During A Term Of Office

During our review of the district's minutes, we noted that the board of commissioners voted to increase their compensation from \$0 per meeting to \$20 per meeting. This increase was effective during the same term of office as when it was approved.

Article XI, Section 8 of the Washington State Constitution reads:

The salary of any county, city, town, or municipal officers shall not be increased . . . or diminished after his election, or during his term of office . . . .

The commissioners were not aware that they were violating a state law.

We recommend that the district commissioners comply with the Article XI, Section 8 of the Washington State Constitution.

2. The District Should Not Make Advance Payments To Vendors

In the course of our review of the district's minutes, we discovered that the district had prepaid 50 percent of the contract price for the construction of a water purification plant.

RCW 42.24.080 describes the authorized auditing form as follows:

The form shall provide for the authentication and certification by such auditing officer that the materials have been furnished, the services rendered or the labor performed as described, and that the claim is a just, due and unpaid obligation against the municipal corporation or political subdivision; and no claim shall be paid without such authentication and certification.

The district violated this law because no services had been rendered or labor performed at the time of the initial payment.

We recommend the district not make advance payments of any kind for goods or services.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Penn Cove Water District**

---

1. Penn Cove Water District Should Record And Retain Minutes Of All Public Meetings

During our review of the minutes of commissioner board meetings, we noted that on February 8, 1993, a special meeting was announced and held without any minutes being recorded and retained.

RCW 42.32.030 states:

The minutes of all regular and special meetings . . . shall be promptly recorded and such records shall be open to public inspection.

Because minutes have not been retained, there is no public record of actions taken at these board meetings. As a result, the auditor is prevented from determining the legality of district activities. The public is also being prevented from being informed on the district activities.

We recommend the district record and retain minutes for all public meetings held.

2. Penn Cove Water District Should Adhere To RCW 42.12.070 In Filling Vacant Commissioner Positions

During our review of the minutes, we noted that one of the commissioner positions was vacant for approximately seven months (over 200 days) before being filled.

RCW 42.12.020 states:

A vacancy on the board shall occur and be filled as provided in chapter 42.12.

RCW 42.12.070 states:

(1) Where one position is vacant, the remaining members of the governing body shall appoint a qualified person to fill the vacant position.

(4) If a governing body fails to appoint a qualified person to fill a vacancy within ninety days of the occurrence of the vacancy, the authority of the governing body to fill the vacancy shall cease and the county legislative authority shall appoint a qualified person to fill the vacancy.

By filling the vacancy after the ninety days rule, the district violated RCW 42.12.070.

We recommend the district comply with RCW 42.12.070 in filling vacant commissioner positions. We further recommend the county commissioners reaffirm the current appointment.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) Scatchet Head Water District**

---

1. Scatchet Head Water District Should Comply With The Open Public Meetings Act

During our review of the minutes of Scatchet Head Water District's commissioner meetings, we noted one executive session that was held outside of a regular or special meeting. In addition the executive session was not publicly announced in an open meeting.

In addition to listing allowable topics, RCW 42.30.110 states in part:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting . . . .

It further states:

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded.

By not properly holding executive sessions, the district may have excluded information from the public. The district was not aware of the requirements of the Open Public Meetings Act of 1971, Chapter 42.30 RCW.

We recommend the district comply with all provisions of Chapter 42.30 RCW.

**ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Island County, Washington**  
**January 1, 1992 Through December 31, 1994**

---

**Schedule Of Findings ) South Whidbey Park And Recreation District**

---

1. South Whidbey Park And Recreation District Should Use The County Treasurer As The District Treasurer

During our review of the district's cash receipts, we noted that the receipts generated by the district's 5k Run and Volleyball Tournament were not deposited with the county treasurer but were, instead, used to pay for event expenses.

RCW 36.69.150 states:

The county treasurer of the county in which the district shall be located shall be the treasurer of the district, and expenditures shall be made upon warrants drawn by the county auditor pursuant to vouchers approved by the board of park and recreation commissioners.

By not depositing the event receipts with the county treasurer, the district has failed to comply with this RCW. Failure to comply with RCW 36.69.150 increases the risk that district funds will not be used appropriately.

We recommend the district comply with RCW 36.69.150 and deposit all district receipts with the county treasurer.